

ASSEMBLY BILL

No. 1192

Introduced by Assembly Member Florez
(Principal coauthor: Senator Costa)

February 26, 1999

An act to add Section 7099 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1192, as introduced, Florez. Trade and Commerce Agency: targeted tax areas.

Existing law provides for the designation of a targeted tax area by the Trade and Commerce Agency according to specified criteria, pursuant to which qualifying entities may receive certain credits against taxes imposed under the Personal Income Tax Law or the Bank and Corporation Tax Law for the purchase of qualified property and for wages paid to a qualified employee in the targeted tax area. Existing law also permits a taxpayer to claim certain expense deductions and certain net operating loss deductions under those laws in connection with activity in the targeted tax area.

This bill would require the agency to additionally designate a community meeting specified criteria as a targeted tax area.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7099 is added to the
2 Government Code, to read:
3 7099. (a) In addition to the targeted tax area
4 designated pursuant to Section 7097, the Trade and
5 Commerce Agency shall rank applicant communities and
6 shall designate the first ranking community whose
7 governing body is applying as a community for
8 designation as a targeted tax area and that meets both of
9 the following criteria:
10 (1) The applicant for the targeted tax area is an
11 economic development authority created by a county
12 having a population of less than 1,000,000 on January 1,
13 1999, and a city with a population of less than 10,000 on
14 January 1, 1999.
15 (2) The applicant is located in a county with a natural
16 resource-based economy that is experiencing a decline
17 because of layoffs or lack of employment opportunities,
18 or both, arising from a decline in resource prices and
19 merger or acquisition of resource exploration and
20 production companies.
21 (b) For the purposes of applying any provision of the
22 Revenue and Taxation Code, a targeted tax area
23 designated pursuant to this section shall not be
24 considered an enterprise zone designated pursuant to
25 Chapter 12.8 (commencing with Section 7070).
26 (c) Designation as a targeted tax area pursuant to this
27 section shall be binding for a period of 15 years.

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